

ARLINGTON FINANCE COMMITTEE  
MINUTES OF MEETING  
7:30PM COMMUNITY SAFETY BUILDING  
2/14/11

ATTENDEES:

McGaffigan*	Bayer*	Jenkins*	Phelps	Corredera
DeCoursey*	Connors*	Simmons*	Gibian*	
Tosti*	Foskett*	Deyst*	Ronan*	
Ferrara*	Franclemont*	Jones*	Deshler*	
DuBois*	Howard*	Fanning*	Carman*	Turkall*

\* Indicates present

VISITORS: DEP Regional Coordinator Carolyn Dann, ARC Chair Gordon Jamieson  
MINUTES of 2/9/11 were approved as printed. Unanimous.

B&R TASK FORCE: Tosti & Foskett reported that our legislators said the Governor's budget needs work. There will probably be some union override eventually on joining the GIC. There may be funding for a SPED circuit breaker & a limit on SPED providers.

ART 34,35 PAYT PROGRAM: Howard, Ferrara & Dann, using a handout (Ref 1) described a pay as you throw plan put together by a planning committee sponsored by the Manager. This plan is predicted to decrease waste disposal by 25% by converting the present curbside trash collection from a tax supported program to a fee for service program. Households would buy special bags at \$2 ea. Only trash in these bags would be picked up by Waste Management. The net benefit for the town would be \$2m for a full year. Art 34 would either generate a resolution or a by law to establish a plan. Art 35 would establish a fine for households that did not comply with the plan. The presentation covered a number of details and recommended FinCom support for both articles. Howard suggested that the Annual Vision 2020 survey would provide a sense of public support shortly after 3/15, the cutoff date for responses. Members asked many questions. Hauler would not pick up recyclables that were contaminated with trash. The bag vendor charge of \$.03 to \$.05 depending on the order details would be included in the \$.28 bag cost. There would be no sales tax on bags. The predicted reduction from 0.8 to 0.61 T/hh is consistent w/ other towns that have started PAYT programs. Residents recycle more, take their trash elsewhere, sell or give stuff away, do not evade the business PAYT program, among other behavior changes. The changeover takes a month. Most towns have found weekly recycling pickups to be not cost effective. Noting the revenue uncertainty and deficit situation, the Chair asked members to consider this program for a vote in a few weeks.

ART 41 RESERVE FUND POLICY Jamieson suggested a policy of setting the Reserve Fund appropriation at 1% of the budget. He suggested that all the reserves should be in one place rather than spread around the various departments. He believes that department heads don't like to come to the FinCom and this would motivate prudent financial management. He suggested that left over funds be applied to the snow deficit. Members felt that a Town Meeting resolution would be an inappropriate way to achieve

# PAYT Presentation for Arlington Finance Committee

2/14/2011

Carolyn Dann, MassDEP

Ryan Ferrara

Pete Howard

# Presentation Outline

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Common Concerns	10-13
PAYT Plan Details	14-19
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# PAYT PLANNERS

## Steering Committee

- Brian Sullivan
- Adam Chapdelaine
- John Bean
- Theresa DeBenedictis
- Ruth Yannetti
- Carolyn Dann
- Ryan Ferrara
- Pete Howard

## Supporting Groups:

### Arlington Recycling Committee

- Gordon Jamieson
- Juli Brazile
- Pete Howard
- Nigel Kraus
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### Sustainable Arlington

- Charlotte Milan

## Individual Supporters:

- Selectman Clarissa Rowe
- Selectman Annie LaCourt

## OBJECTIVES

- Equity (each household pays for trash service based on usage)
- Environmental benefits (less trash disposed and a “greener” community)
- Financial benefits (lower disposal costs and new revenue from sale of bags) projected at \$2million
  - (Goal of option presented last year was to offer a “cost neutral” PAYT option)

## Plan Summary

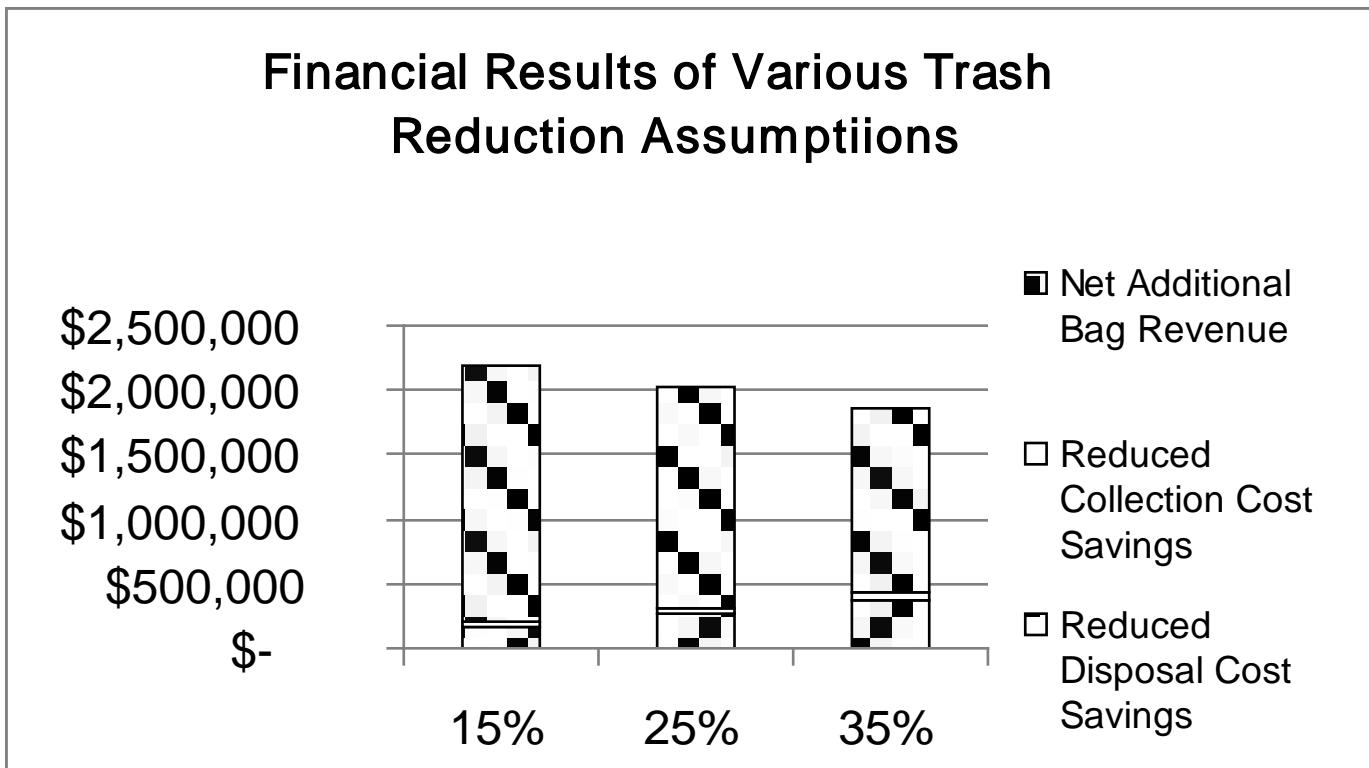
- PAYT requires one change - residents must use Official Town Bags for trash.
  - Collection day, unlimited recycling program, yard waste and bulky waste collection all remain the same.
- Two bag sizes allows flexibility
  - 33-gallon @ \$2 and 15-gallon @ \$1
- Easy to implement, no added Town staff
  - Bag vendors handle delivery, billing, accounting
- Easy to enforce, lower collection cost
  - Hauler only collects bags of the correct color

# Projected Financial Results – Overview

(assuming between 15% and 35% reduction in solid waste)

- Collection Cost Savings \$44,500
- Disposal Cost Savings \$163,000 - \$380,000
- Net Bag Revenue \$1,980,000 -\$1,430,000
- If residents recycle more, there are fewer tons, but fewer bags
- If residents don't recycle as much as expected, more trash but they buy more bags.
- Net benefit to Arlington
  - Best Case (15% reduction or 0.69 T/hh) – \$2.2 million
  - Base Case (25% reduction or 0.61 Tons/hh) – \$2.0 million
  - Worst Case (35% reduction or 0.53 T/hh) - \$1.8 million

# Sensitivity to Public Response



# Projected Financial Results - Detail

	No Changes	PAYT, \$2/bag		
Projected Waste Reduction	0%	15%	25%	35%
Bag Cost (Large Bag)	\$ -	\$ 2.00	\$ 2.00	\$ 2.00
Solid Waste Collections Cost (1)	\$ 1,383,120	\$ 1,138,620	\$ 1,138,620	\$ 1,138,620
Rec Collection Cost (1)	\$ 536,520	\$ 728,520	\$ 728,520	\$ 728,520
Leaf / Yard Waste Collection Cost	\$ 270,300	\$ 278,250	\$ 278,250	\$ 278,250
White Goods	\$ 191,960	\$ 191,960	\$ 191,960	\$ 191,960
Solid Waste Disposal Cost (2)	\$ 1,088,000	\$ 924,800	\$ 816,000	\$ 707,200
Additional Admin & Outreach Costs	\$ -	\$ -	\$ -	\$ -
Bag costs @ \$0.28 (3)	\$ -	\$ 322,280	\$ 277,480	\$ 232,680
<b>TOTAL COSTS</b>	<b>\$ 3,469,900</b>	<b>\$ 3,584,430</b>	<b>\$ 3,430,830</b>	<b>\$ 3,277,230</b>
Bag Revenue	-	\$ 2,302,000	\$ 1,982,000	\$ 1,662,000
WG and BW Revenues (4)	-	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ -</b>	<b>\$ 2,302,000</b>	<b>\$ 1,982,000</b>	<b>\$ 1,662,000</b>
<b>Net Cost (Total Costs - Total Revenues)</b>	<b>\$ 3,469,900</b>	<b>\$ 1,282,430</b>	<b>\$ 1,448,830</b>	<b>\$ 1,615,230</b>
<b>Net \$ Benefit compared to Current Program</b>	<b>\$ -</b>	<b>\$ 2,187,470</b>	<b>\$ 2,021,070</b>	<b>\$ 1,854,670</b>
<b>COST/YR for AVERAGE HOUSEHOLD (5)</b>	<b>\$ -</b>	<b>\$ 176</b>	<b>\$ 152</b>	<b>\$ 127</b>

1) Collection costs and projected waste reduction estimates are from preliminary negotiations with Waste Mgmt.  
 2) Disposal cost based on contracted rate of \$68/ton for FY12.  
 3) Number of bags needed = (Total Annual SW Tons - Bulky waste - Muni SW tons estimated) divided by 20 lbs per bag.  
 4) White Goods (WG) & Bulky Waste (BW) revenues are assumed to equal cost.  
 5) Ave. Cost / hh / yr = Num. Bags Sold per year \* \$ per bag / Number of Households.

# Experience in Other Municipalities with PAYT and Curbside Collection

City/Town	Tons/Hh “Before” PAYT	Tons/Hh “After” PAYT for FY10	Year PAYT started
Worcester	1.21	0.41*	1993
Gloucester	1.09	0.54	1990
Malden	1.21	0.59	2009
Ashland	0.96	0.60	2006
Needham	1.68	0.65**	1998
Shrewsbury	1.10	0.66	2008
Natick	1.19	0.69	2003
Concord	NA	0.76	1993
Brockton	1.47	0.90***	2003
Arlington	0.80	Base Case Projected to be 0.61	NA

\*Worcester also requires residents to pay a private hauler for all bulky waste so no bulky waste included in this data.

\*\*FY09 Data used because FY10 data not available.

\*\*\* Brockton allows one barrel “free” before residents have to put Official Town Bags

## Common Concerns

- Illegal dumping
- Additional demand on Town Staff
- Too much hassle for residents
- Just another “tax”

## No Increase in Illegal Dumping

- We've talked to many other suburban towns and they have been able to prevent or stop illegal dumping by taking early enforcement action.
- Illegally dumped bags are opened, traced and owners fined. Violations can be publicized to prevent others.
- With prompt action, illegal dumping is “no worse” than before.

## Residents Control the Cost so NOT “Just another tax”

- Unlike a tax, the resident controls the cost
- Like a utility, the resident pays for what they use.
- Over 2/3 of the municipalities in MA have some form of trash fees to pay for the trash and recycling program. A shrinking minority are still paying for trash and recycling through property taxes.

# No Additional Administration Required

- Bag vendors have taken over most of the work. They:
  - Warehouse the cases of bags
  - Deliver to retailers
  - Track the sales
  - Bill the retailers
  - Handle the accounting
- They send a monthly report and a check

## PAYT Plan Details

- A simple change
- Two bag sizes provide options
- Impact on multi-family complexes
- Impact on municipal buildings, businesses, non-profits
- DEP funding available
- Transparency recommended

# A Simple Change

- Where do I buy bags?
  - Local grocery, hardware and convenience stores.
  - Retailers do not charge a mark-up; they enjoy the “traffic”
- The new behavior is easy to learn:
  - Buy a different bag
  - Decide whether to put items into the recycling bin (free), compost bin (free), a donation box (free), or into a trash bag (not free).
- Can I still use my barrel?
  - Yes! Just use bags inside the barrel.
- Where can I put all my extra recyclables?
  - You can use an extra barrel for recyclables
  - The DPW has free stickers to mark your barrel for recycling.

## Two Bag Sizes Provide Options

- Why do I need all these plastic bags?
  - The Town will offer one large size bag (a 33-gallon size) and a small size bag (13-15 gallon size)
  - Sold in rolls of 10
  - You can choose whichever works best for your household.
  - Bags can be set on the curb by itself or in a barrel.

## Impact on Multi-Family Complexes

- Residents living in multi-unit buildings may:
  - Purchase bags and place them on the curb or
  - Pay the Town for dumpster service at an equivalent price based on the capacity of the dumpster; or
  - Arrange for private dumpster service.
    - Authorized haulers will be required by the BoH to offer recycling in compliance with state regulations.

# Impact on Municipal Buildings, Businesses, Non-Profits

- All municipal buildings must use special official bags. Initially, Town will provide a specially marked, larger trash bag to departments.
- Businesses may participate in the same way as residents, by buying the Official Bags.
- The Food Pantry will accept donations of bags and provide bags to needy residents along with food.

## DEP Funding Available

- Technical Assistance – already receiving
- Start-up Funding - \$5/household up to \$100,000 to offset start-up costs or first order of bags.
- Source of funding is not legislatively appropriated; is a trust fund controlled by DEP.

# PAYT Warrant Articles

- **PAY AS YOU THROW (PAYT) TRASH COLLECTION PROGRAM** To see if the Town will vote to implement a pay as you throw (PAYT) trash collection program, including any changes to its Bylaws, rules and regulations and/or the adoption of a supporting resolution as may be required for implementation of said PAYT trash collection program; or take any action related thereto.
- **BYLAW AMENDMENT/TRASH REMOVAL** To see if the Town will vote to amend the Town Bylaws to require compliance with Town solid-waste removal methods, provide for enforcement and determine penalties for violations thereof, or take any action related thereto.

## Recommended Actions

- Assuming no override, FinCom should prepare 2 budgets - with & w/o PAYT
- FinCom should support the PAYT warrant articles
- Impact on FY12 budget should assume an Oct 1 start date at the earliest.

this policy. The Chair suggested it should be based on the annual need and should not be too big a target.

VOTED No action. Unanimous.

ART 62 COMMITTEES AND COMMISSIONS: Jamieson suggested that the \$3000 ARC budget be offset by a transfer from the white goods revolving fund. Members suggested that the ARC budget be reduced to \$0 and it be allowed to draw from the revolving fund. Tosti will discuss w/ Chapdelaine.

Ref 1 PAYT Presentation for Arlington Finance Committee

RESERVE FUND BALANCE- \$916,740

Peter B Howard 2/15/11 Revised 2/16/11

cc FinCom Members, Library File, Town Web Site